

# U.S ENVIRONMENTAL PROTECTION AGENCY REGION IX

IN THE MATTER OF:	)
	) CERCLA DOCKET NO. 2003-04
SPARKS SOLVENT/FUEL SITE	, )
SPARKS, NEVADA	, )
,	) AGREEMENT FOR RECOVERY
	OF RESPONSE COSTS
SFPP, L.P.;	, )
UNION PACIFIC RAILROAD COMPANY;	, )
SHORE TERMINALS LLC;	PROCEEDING UNDER SECTION
BERRY-HINCKLEY TERMINAL, INC.;	) 122 of CERCLA, 42 U.S.C. §9622
CHEVRON U.S.A., INC.;	, )
EQUILON ENTERPRISES LLC;	, )
TIME OIL, INC.; and	, )
UNION OIL COMPANY OF	, )
CALIFORNIA dba UNOCAL;	,
,	)
SETTLING PARTIES	)

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# I. JURISDICTION

- 1. This Agreement is entered into pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §6922, which authority has been delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-D, and further redelegated by Region 9 Delegation No. R9-1290.20 to the Superfund Branch Chiefs.
- 2. This Agreement is made and entered into by EPA and the following entities: SFPP, L.P., Union Pacific Railroad Company (formerly known as Southern Pacific Transportation Company), Shore Terminals LLC, Berry-Hinckley Terminal, Inc., Chevron U.S.A. Inc., Equilon Enterprises LLC, Time Oil, Inc., and Union Oil Company of California dba UNOCAL ("Settling Parties"). Each Settling Party consents to and will not contest EPA's jurisdiction to enter into this Agreement or to implement or enforce its terms.

# II. BACKGROUND

- 3. This Agreement concerns the Sparks Solvent/Fuel Site in Sparks, Nevada ("Site"). EPA alleges that the Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).
- 4. In response to the release or threatened release of hazardous substances at or from the Site, on August 22, 1991, EPA issued an Administrative Order, Docket No. 91-22, under Section 106 of CERCLA, 42 U.S.C. §9606, to the Settling Parties or their predecessors, and other entities requiring response actions to address soil, groundwater and surface water contamination at the Site.
- 5. EPA has incurred response costs at or in connection with the Site consisting primarily of oversight of the work conducted pursuant to the Administrative Order, at the Site pursuant to Section 104 of CERCLA, 42 U.S.C. §9604.
- 6. On March 3, 2004, Settling Parties entered into a Consent Agreement with the State of Nevada Division of Environmental Protection requiring that the Settling Parties continue remedial activities and complete final remediation at the Site, which will include response actions set forth in EPA's Administrative Order.
- 7. EPA alleges that Settling Parties are responsible parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. §9607(a), and are jointly and severally liable for response costs incurred at or in connection with the Site. The Settling Parties are making no admissions with respect to such allegations.
- 8. EPA and Settling Parties desire to resolve Settling Parties' alleged civil liability for

Response Costs without litigation and without the admission or adjudication of any issue of fact or law.

#### III. PARTIES BOUND

9. This Agreement shall be binding upon EPA and upon Settling Parties and their successors and assigns. Any change in ownership or corporate or other legal status of a Settling Party, including but not limited to, any transfer of assets or real or personal property, shall in no way alter such Settling Party's responsibilities under this Agreement. Each signatory to this Agreement certifies that he or she is authorized to enter into the terms and conditions of this Agreement and to bind legally the party represented by him or her.

#### IV. DEFINITIONS

- 10. Unless otherwise expressly provided herein, terms used in this Agreement which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Agreement or in any appendix attached hereto, the following definitions shall apply:
  - a. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.
  - b. "Agreement" shall mean this Agreement and any attached appendices. In the event of conflict between this Agreement and any appendix, the Agreement shall control.
  - c. "Administrative Order" shall mean the unilateral Administrative Order issued by EPA on August 22, 1991, Docket No. 91-22.
  - d. "Day" shall mean a calendar day. In computing any period of time under this Agreement, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.
  - e. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.
  - f. "Interest" shall mean interest at the current rate specified for interest on investments of the Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a).
  - g. "Paragraph" shall mean a portion of this Agreement identified by an arabic numeral or a lower case letter.
  - h. "Parties" shall mean EPA and the Settling Parties.

- i. "Response Costs" shall mean all costs, including but not limited to direct and indirect costs, that EPA has paid at or in connection with the Site plus accrued Interest on all such costs up to and including the effective date of this Agreement.
- j. "Section" shall mean a portion of this Agreement identified by a roman numeral.
- k. "Settling Parties" shall mean the following entities: SFPP, L.P., Union Pacific Railroad Company (formerly known as Southern Pacific Transportation Company), Shore Terminals LLC, Berry-Hinckley Terminal, Inc., Chevron U.S.A. Inc., Equilon Enterprises LLC, Time Oil, and Union Oil Company of California dba UNOCAL, and their predecessors, successors, directors, officers, shareholders, and employees. Each of the Settling Parties may be referred to individually as a "Settling Party."
- 1. "Site" shall mean the Sparks Solvent/Fuel Superfund Site, located in Sparks, Nevada, as depicted on the map attached as Appendix A.
- m. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

#### V. REIMBURSEMENT OF RESPONSE COSTS

- 11. EPA will send a representative of the Settling Parties a final bill requiring payment of Response Costs that includes a cost summary prepared by the Region. Within sixty (60) days of the date of receipt of such bill, the Settling Parties shall pay to the EPA Hazardous Substance Superfund all Response Costs identified in the bill.
- 12. Payments shall be made by certified or cashier's check made payable to "EPA Hazardous Substance Superfund" or by electronic transfer. EPA will include detailed electronic transfer instructions with the bill. If payment is by check, each check shall be made payable to the U.S. EPA Hazardous Substance Superfund. The check and accompanying transmittal letter should clearly reference the identity of the Site (Sparks Solvent/Fuel Plume Site, NV #09 W6) and should be sent to:

U.S. EPA - Region 9 Attn: Superfund Accounting P.O. Box 360863M Pittsburgh, PA 15251

13. At the time of payment, Settling Parties shall send notice that such payment has been made to:

Mark Calhoon
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street, (SFD-6)

#### VI. FAILURE TO COMPLY WITH AGREEMENT

- 14. In the event that the payment required by Paragraph 11 is not made when due, Interest shall continue to accrue on the unpaid balance through the date of payment.
- 15. If any amounts due to EPA under Paragraph 11 are not paid by the required date, Settling Parties shall pay to EPA, as a stipulated penalty, in addition to the Interest required by Paragraph 14, \$200 per violation per day that such payment is late.
- 16. Stipulated penalties are due and payable within 30 days after the date of demand for payment of the penalties. All payments to EPA under this Paragraph shall be identified as "stipulated penalties" and shall made in accordance with Paragraphs 12 and 13.
- 17. Penalties shall accrue as provided above regardless of whether EPA has notified the Settling Parties that the payment required by Paragraph 11 is late, but need only be paid upon demand. All penalties shall begin to accrue on the day after the payment required by Paragraph 11 is due, and shall continue to accrue until the payment is made.
- 18. In addition to the Interest and Stipulated Penalty payments required by this Section and any other remedies or sanctions available to EPA by virtue of Settling Parties' failure to comply with the requirements of this Agreement, any Settling Party who fails or refuses to comply with any term or condition of this Agreement shall be subject to enforcement action pursuant to Section 122(h)(3) of CERCLA, 42 U.S.C. §9622(h)(3). If the United States, on behalf of EPA, brings an action to enforce this Agreement and prevails, Settling Parties shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.
- 19. The obligations of Settling Parties to pay amounts owed to EPA under this Agreement are joint and several.
- 20. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Agreement.

# VII. COVENANT NOT TO SUE BY EPA

21. Except as specifically provided in Paragraph 22 (Reservations of Rights by EPA), EPA covenants not to take action against Settling Parties pursuant to Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §§ 9606(a) and 9607(a), to recover Response Costs or for performance of the response actions taken by the Settling Parties pursuant to EPA Administrative Order, Docket No. 91-22. This covenant shall take effect upon receipt by EPA of the payment required by Section V (Reimbursement of Response Costs) and any amounts required by Section VI, Paragraphs 14 (Interest on Late Payments) and 15 (Stipulated Penalty for Late Payment). This covenant not to sue

is conditioned upon the satisfactory performance by Settling Parties of their obligations under this Agreement. This covenant not to sue extends only to Settling Parties and does not extend to any other person.

#### VIII. RESERVATIONS OF RIGHTS BY EPA

- 22. The covenant not to sue by EPA set forth in Paragraph 21 does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Agreement is without prejudice to, all rights (to the extent that any such rights exist) against Settling Parties with respect to all other matters, including but not limited to:
  - a. liability for failure of Settling Parties to meet a requirement of this Agreement;
  - b. liability for costs incurred or to be incurred by the United States that are not within the definition of Response Costs;
  - c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. §9606;
  - d. criminal liability; and
  - e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments.
- 23. Nothing in this Agreement is intended to be nor shall it be construed as a release, covenant not to sue, or compromise of any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the United States may have against any person, firm, corporation or other entity not a signatory to this Agreement except as otherwise stated in this Agreement.

#### IX. COVENANT NOT TO SUE BY SETTLING PARTIES

- 24. Settling Parties agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Response Costs or this Agreement, or with respect to the Administrative Order, including but not limited to:
  - a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
  - b. any claims arising out of the response actions at the Site for which the Response Costs were incurred; and

- c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to Response Costs.
- 25. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

# X. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

- 26. Nothing in this Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Agreement. EPA and Settling Parties each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.
- 27. EPA and Settling Parties agree that the actions undertaken by Settling Parties in accordance with this Agreement do not constitute an admission of any liability by any Settling Party. Settling Parties do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Agreement, the validity of the facts or allegations contained in Section II of this Agreement.
- 28. The Parties agree that Settling Parties are entitled, as of the effective date of this Agreement, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Agreement. The "matters addressed" in this Agreement are the requirements of the Administrative Order that have been completed by the Settling Parties, including all Response Costs accrued under that Order.
- 29. Each Settling Party agrees that with respect to any suit or claim for contribution brought by it for matters related to this Agreement, it will notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. Each Settling Party also agrees that, with respect to any suit or claim for contribution brought against it for matters related to this Agreement, it will notify EPA in writing within 10 days of service of the complaint or claim upon it. In addition, each Settling Party shall notify EPA within 10 days of service or receipt of any Motion for Summary Judgment and within 10 days of receipt of any order from a court setting a case for trial, for matters related to this Agreement.
- 30. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other appropriate relief relating to the Site, Settling Parties shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue by EPA set forth in Paragraph 21.

# XI. RETENTION OF RECORDS

- 31. Until 10 years after the effective date of this Agreement, each Settling Party shall preserve and retain all records and documents now in its possession or control, or which come into its possession or control, that relate in any manner to response actions taken at the Site or to the liability of any person for response actions conducted and to be conducted at the Site, regardless of any corporate retention policy to the contrary.
- 32. After the conclusion of the document retention period in the preceding paragraph, Settling Parties shall notify EPA at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA, Settling Parties shall deliver any such records or documents to EPA. Settling Parties may assert that certain documents, records, or other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Settling Parties assert such a privilege, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted. However, no documents, reports, or other information created or generated pursuant to the requirements of this or any other judicial or administrative settlement with the United States shall be withheld on the grounds that they are privileged. If a claim of privilege applies only to a portion of a document, the document shall be provided to EPA in redacted form to mask the privileged information only. Settling Parties shall retain all records and documents that they claim to be privileged until EPA has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in Settling Parties' favor.

#### XII. NOTICES AND SUBMISSIONS

33. Whenever, under the terms of this Agreement, notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of this Agreement with respect to EPA and Settling Parties.

As to EPA:

Donn Zuroski U.S. EPA (SFD-9-2) 75 Hawthorne Street San Francisco, CA 94105

# As to Settling Parties:

Kevin J. Ryan
Senior Project Manager, Environmental Remediation
Kinder Morgan Energy Partners, L.P.
370 Van Gordon Street
P.O. Box 281304
Lakewood, CO 80228-8304
303-914-7813

# XIII. INTEGRATION/APPENDICES

34. This Agreement and its appendix constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Agreement. The following appendix is attached to and incorporated into this Agreement: "Appendix A" is a Site map.

# XIV. EFFECTIVE DATE

35. The effective date of this Agreement shall be the date upon which EPA signs this Agreement.

Date: 19 April 2004

36. Upon the effective date of this Agreement, EPA's Administrative Order shall terminate.

IT IS SO AGREED:

U.S. Environmental Protection Agency

Daniel Meer, Chief

Response, Planning, and Assessment Branch

Superfund Division, Region 9

SHORE TERMINALS LLC	BERRY-HINCKLEY TERMINAL, INC.
By: Janes A. Siciliano	D.
By: Marie Process	By:
Title: Vice President	Name:
	Title:
Date: 12-22-2503	Date:
CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
Ву:	Ву:
Name:	Name:
Title:	Title:
Date:	Date:
SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
Ву:	Ву:
Name:	Name:
Title:	Title:
Date:	Date:
SFPP, L.P.	EQUILON ENTERPRISES LLC
By:	Ву:
Name:	Name:
Title:	Title:
Date:	Date:
TIME OIL COMPANY	
Ву:	
Name:	
Title:	
Date:	

SHORE TERMINALS LLC	BERRY-HINCKLEY TERMINAL, INC.
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
By: Malen	By:
By: Algre Name: GOLDON / Time	Name:
Title: CEMC BUS. UNIT MER	Title:
Date: 11/24/03	Date:
SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
SFPP, L.P.	EQUILON ENTERPRISES LLC
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
TIME OIL COMPANY	
By:	
Name:	

Date: \_\_\_\_\_

SHORE TERMINALS LLC	BERRY-HINCKLEY TERMINAL, INC.
By:	Ву:
Name:	Name:
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CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
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SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
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Title:	Title:
Date:	Date:
SFPP, L.P.	EQUILON ENTERPRISES LLC
By: Thoms S. Canji	Ву:
Name: Thomas A. Bannigan	Name:
Title: President	Title:
Date:	Date:
TIME OIL COMPANY	
By:	
Name:	
Title:	

SHORE TERMINALS LLC	BERRY-HINCKLEY TERMINAL, INC.
Ву:	By:
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CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
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SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
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SFPP, L.P.	EQUILON ENTERPRISES LLC
Ву:	Ву:
Name:	Name:
Title:	Title:
Date:	Date:
TIME OIL COMPANY	
By: K. Roger Holliday	
Name: H. Roger Holliday	
Title: <u>President</u>	

Date: February 4, 2004

SHORE TERMINALS LLC	BERRY-HINCKLEY TERMINAL, INC.
By: Name: Title: Date:	By: Name: Title: Date:    Title:   To 3
CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
By: Name: Title: Date:	By: Name: Title: Date:
SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
By:	By:
SFPP, L.P.	EQUILON ENTERPRISES LLC
By: Name: Title: Date: TIME OIL COMPANY	By: Name: Title: Date:
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BERRY-HINCKLEY TERMINAL, INC.

Ву:	By:
Name:	Name:
Title:	Title:
Date:	Date:
CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
By:	By: Mulef LLM Name: MICHAEL WHITCOMB
Name:	Name: MICHAEL WUITCOMA
Title:	Title: AVP LAW
Date:	Date: 12/17/03
SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
Ву:	Ву:
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SFPP, L.P.	EQUILON ENTERPRISES LLC
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BERRY-HINCKLEY TERMINAL, INC.

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CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
By: Name: Title: Date:	By: Minuted Afficed & Name: Key A. Smith  Title: General Hanager, RRMC  Date: Dec. 22, 2003
SFPP, L.P.	EQUILON ENTERPRISES LLC
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
TIME OIL COMPANY	
By:	
Name:	
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BERRY-HINCKLEY TERMINAL, INC.

By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
CHEVRON U.S.A., INC.	UNION PACIFIC RAILROAD COMPANY
Ву:	By:
Name:	Name:
Title:	Title:
Date:	Date:
SANTA FE PACIFIC PIPELINES, INC.	UNION OIL COMPANY OF CALIFORNIA
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
SFPP, L.P.	EQUILON ENTERPRISES LLC
Ву:	By: Holly P. Wanzmann
Name:	Name: Holly P. Kranzman
Title:	Title: Western Region Operations Manager
Date:	Date: 1/26/03
TIME OIL COMPANY	
Ву:	
Name:	
Title:	
Date:	